

Green Power in Australia

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Key Market Drivers

— creating a renewable energy market

- National Green Power Accreditation Program
- Mandatory Renewable Energy Target (MRET)
- Retail Contestability / Bill labeling
- NSW Benchmarks



Green Power Accreditation



- Energy Utilities seek accreditation for a Green Power Product
- Strict rules:
 - Only use Green Power approved generation sources
 - 80% of generation must come from new sources
 - Meet supply and demand over a 1-year period
 - Regular reporting
 - Independent annual audit to verify compliance

Green Power Generators



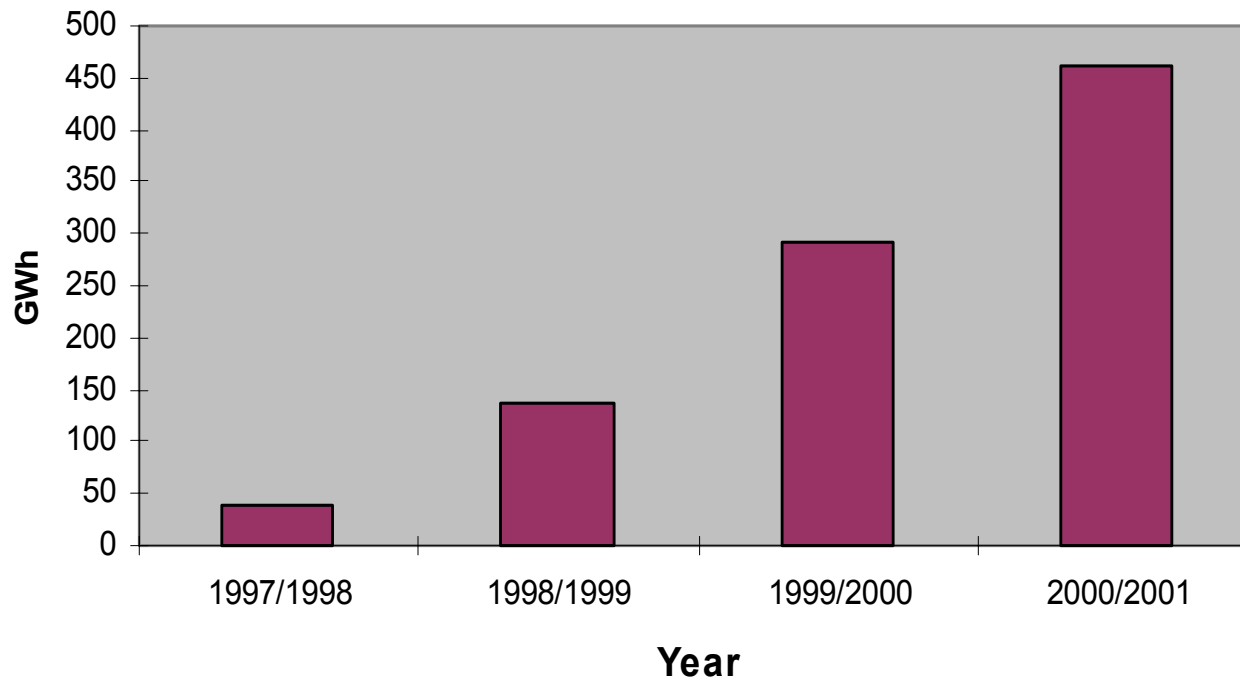
- Tick of approval
 - Solar
 - Wind
 - Small hydro
 - Biomass (Landfill gas, sugar and agricultural wastes)
 - Geothermal/hot dry rocks
 - Wave and tidal power



Success so far ...

- 65,000 Green Power customers (2,500 businesses)
- 14 accredited retailers to 96% population in Australia
- 10-fold growth in demand in 4 years - 460GWh in 2000/01

Growth Trends in Demand for Green Power (1997-2001)



Good news for industry ...



- Over 120 Green Power projects since 1997
 - largest solar farm in Southern Hemisphere
 - largest wind-farm in Australia (Toora, VIC)
- \$170m invested in Renewable Energy projects in NSW alone



Renewable Energy (Electricity) Act



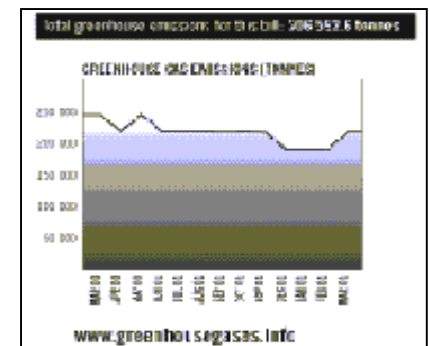
- MRET = 9500GWh by 2010
- Green Power set above MRET
- Driving additional investment above status quo
- Green Power 'rights' trading introduced



Retail Contestability Bill Labeling



- Jan 2002 - NSW and Vic
- Best practice GP participation in Australia – 3%
- Healthy competition + more choice = opportunities
- Bill labeling increases consumer awareness about GHGe



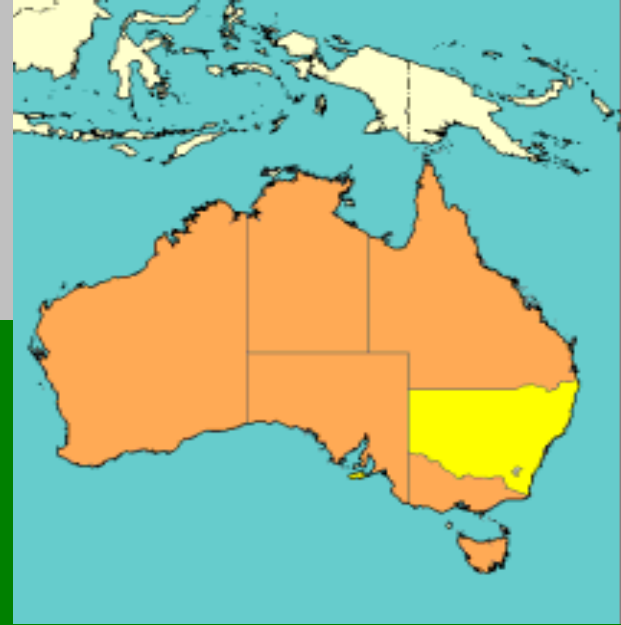
New Generation Requirements



- reserve margin generation capacity has decreased
- need 25% increase in installed generation capacity
- investment = approx 4.5 million USD by 2010
- another market driver for renewable energy



New South Wales Benchmarks



- Expected start date: Jan 2003
- Enforce GHGe requirements on energy utilities
- 5% below 1990 per capita emission levels by 2007 and maintain until 2012
- Abatement task = target 7.27 tonnes of CO₂e per capita ~ 14% drop on current levels
- Penalties – up to \$15 / tonne



NSW Sustainable Energy Development Authority



NSW Government Agency established in 1996

In 6 years SEDA's Initiatives and Partnerships have achieved:

- \$185m in new investment
- Leveraged over \$500M of private sector investment
- \$415 million in lifetime energy savings
- 10.8 MT lifetime greenhouse gas emissions



Thank you

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